



STATE OF UTAH

JON M. HUNTSMAN, JR.
GOVERNOR

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GARY R. HERBERT
LIEUTENANT GOVERNOR

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My Fellow Utahns:

As the first year of my administration draws to a close, I am very proud of our accomplishments. We have successfully restructured the economic development efforts of the state and are launching new initiatives that will help benefit Utah businesses and entrepreneurs. Our focus will help bring new venture capital to the state, attract experienced talent as mentors and gain synergies through competitive industry clusters—all in an effort to create new higher-paying jobs.

Tax reform is at the forefront of my agenda. The tax structure in Utah has not changed in more than 50 years. I am committed to working with the legislature on a tax reform package during the upcoming session. To support this effort, I set aside \$60 million of ongoing revenue to cover any tax cuts that may result from this reform.

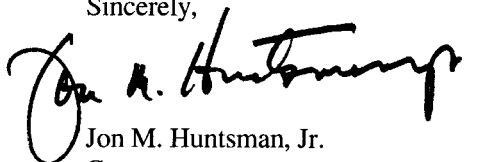
Utah's economy is robust with job growth at twice the rate of the national average. Population growth and in-migration are at an all-time high. Both these factors lead to a prosperous economy. However, with prosperity, there also comes an increased demand for essential state services.

Helping students achieve their academic potential is our challenge at a time when actual public education enrollment growth has exceeded projections. To meet this challenge requires a large commitment of state resources. An ever increasing population also increases the demand for additional state managed programs such as health and human services, public safety, correctional needs and transportation plans. Each day as we drive to work, we witness the increasing congestion on Utah's highways and roads.

The budget presented on the following pages is my effort to strike a balance between competing demands. Not every worthy program can be funded. Not every societal demand can be met. But we must make best efforts as we approach education and transportation knowing that brain power and quality of life will be our state's competitive advantages in the future.

The future for Utah is bright! Thank you for your confidence in me, and for the opportunity to serve this great state.

Sincerely,



Jon M. Huntsman, Jr.
Governor